



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Planning Commission

**SUBJECT: RECOMMENDATION ON THE
PROPOSED 2008-2012 CAPITAL
IMPROVEMENT PROGRAM**

DATE: May 4, 2007

Approved: /s/

Date: 05/04/07

RECOMMENDATION

The Planning Commission (5-1, Commissioner Platten dissenting) recommends that the City Council adopt the Proposed 2008-2012 Capital Improvement Program (CIP).

OUTCOME

Adoption of the Proposed 2008-2012 Capital Improvement Program (CIP) will provide continued funding for programs and policies that the City Council has established as priorities. The CIP will guide the City in the planning, scheduling, and budgeting of capital improvement projects during the next five-year period.

BACKGROUND

The San Jose City Charter prescribes that the Planning Commission consider the City's Proposed Capital Improvement Program (CIP) and submit its findings and recommendations to the City Council at least ten (10) days prior to a public hearing of the City Council on the CIP. Since the CIP implements the goals and policies of the General Plan, a determination of consistency with the *San Jose 2020 General Plan* is an important criterion in the Commission's review of the document.

ANALYSIS

On May 2, 2007, the Planning Commission conducted its annual study session for review of the City's Proposed 2008-2012 Capital Improvement Program (CIP). The study session included a presentation by staff from the City Manager's Budget Office. Active Commission discussion occurred with representatives from each City Department.

Following the study session, the Commission conducted a public hearing regarding their comments on the proposed CIP, which are being forwarded to the Council for their consideration. There were no public comments during the hearing.

The Planning Commission's discussion at the study session on the Proposed 2008-2012 Capital Improvement Program can be categorized as having two primary themes:

1. Opportunities to Increase City Revenues: The Planning Commission encouraged the City to investigate opportunities to increase City revenues and, specifically, to verify that the City's various in-lieu development fees (e.g., undergrounding of utilities) accurately reflect actual construction costs. Staff indicated that such fees are reviewed on a periodic basis.

2. Minimization of Operating and Maintenance Costs: The Planning Commission expressed concern about the projected rise in operating and maintenance (O & M) costs associated with implementation of the CIP, particularly related to near-term completion of numerous parks, community centers, libraries, and public safety facilities bond projects. Staff responded that while in recent years the City has given priority to CIP projects that have minimal negative or positive O & M impacts (e.g., equipment upgrades), projects with higher O & M are now being included out of necessity.

3. Opportunities to Increase Green Building and Energy Efficiency in City Projects: Related to the issues above, the Commission expressed strong interest in green building techniques, alternative energy sources (solar in particular), application of technology (e.g., parking meters accepting credit cards), and reassessment of the contract for operation and maintenance of the Arena.

At the public hearing, the Commission provided additional comments regarding the need for funding of future parkland needs stemming from planned intensification of North San Jose, and also encouraged partnership with alternative energy firms to explore the use of cost-saving technologies. Similarly, the Commission suggested that the City explore the generation of its own energy supply, similar to the City of Santa Clara. The Commission closed their discussion by commending City staff for the high quality in preparation of the proposed CIP.

Conclusion

Based on information contained in the Proposed 2008-2012 Capital Improvement Program and shared at the study session, the Planning Commission finds that the CIP is consistent with the *San Jose 2020 General Plan*. The Planning Commission recommends that the City Council adopt the Proposed 2008-2012 Capital Improvement Program.

ALTERNATIVES

Not applicable.

PUBLIC OUTREACH

The Planning Commission CIP study session was noticed as a public meeting. However, no citizens chose to attend. Further, the Commission's formal recommendation to the City Council on the CIP occurred as a public hearing item on the agenda of the Planning Commission's evening session on May 2, 2007. No citizens provided testimony on this item.

COORDINATION

The preparation of this report was coordinated with the Budget Office and City Attorney's Office.

COST IMPLICATIONS

Not applicable.

CEQA

Not applicable.

/s/
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Planning Commission

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